

GOVERNMENT OF ANDHRA PRADESH

A B S T R A C T

Labour Employment Training & Factories Department. – Insurance Medical Services– M/s.Associated Cement Company Ltd., Mancherial, Adilabad District - Grant of exemption from E.S.I. coverage under Section 87,88,91 & 91 A of E.S.I. Act, 1948 – Rejected – Orders - Issued.

LABOUR EMPLOYMENT TRAINING & FACTORIES (IMS) DEPARTMENT

G.O.Rt.No 702.

Dated:02.06.2010.

Read the following:-

1. From the Vice President, A.C.C. Ltd., Mancherial, letter MCW/SM-HRA/ESI/44,1793, dated 25.02.2002 and even letter dated 30.04.2003, 30.03.2004 and 02.03.2005.
2. The General Secretary, ACC Mazdoor Sangh letter dated 20.02.2002 and even letter dated 10.03.2003, 26.03.2004 and 01.03.2005.
3. From R.D, ESIC, Hyd Lr.No.AP/MEC/52-0545-46/2003, dated 07.04.2004.
4. From the DIMS.,Lr.Rc.No.12628/P1/2008, dated: 11.03.2010.

ORDER:

In the reference 1st read above, Vice-President, the ACC Ltd., Macherial Cement Works has filed exemption application before Government and requested for grant of exemption to their company from the coverage of ESI Act from 01.01.2002 to 30.03.2003 under Section 87,88,91 & 91 (A) of ESI Act. 1948. Subsequently, the management of ACC Ltd, Mancherial Cement Works in their applications has requested the Government for seeking of exemption from the provisions of ESI Act for the years 2003-2004, 2004-2005 and 2005-2006. In the reference 2nd read above, the General Secretary, ACC Mancherial Cement works Employees Union, Mancherial has also requested to give exemption to the ACC Ltd, Mancherial Cement Works, for the said period from implementation of the ESI Act.

2. In the reference 3rd read above, the Deputy Director, ESIC, Hyd stated that the benefits said to have been provided by the employer to his employees are not substantially similar to the benefits provided by ESIC. In any case, the employer is not extending the same benefits to contract / casual employees. Hence, there is a disparity in providing such benefits to the regular and non-regular employees. The ESI Scheme is run by the State. It is a broad based participating scheme represented by the Government, Parliament, Employer and Employees' Representatives and Medical Profession which stands to serve the larger interest of the working class of the country without any discrimination. The Corporation opposed grant of exemption to the said factory from the purview of the ESI Act,1948 for all the past, present and future periods.

3. M/s.ACC Ltd., Mancherial, Adilabad District has requested for grant of exemption under Section 87,88,91 and 91A of ESI Act for the period 01.04.1993 to 31.03.2000 was rejected vide G.O Rt.No.1696, LET&F(IMS) Dept. dated 16.09.2004. The Management had also challenged non-grant of exemption in Hon'ble High Court in W.P No.21016/21004 and the same was dismissed on 14.12.2007 and they filed IA No.136/2009 in EI Court, Hyderabad for not granting exemption and the EI Court in its order dated 26.10.2009 closed the petition filed by management. The ACC Ltd. filed CMA No.1161/2009 against the orders passed in IA No.136/2009 in Hon'ble High Court and the High Court in its order dated 15.03.2010 in CMA No.1161/200 directing the ACC Ltd, Mancherial to deposit a sum of Rs.25,00,000/- in ESI Court as condition and in due compliance with section 75 (2B) of the Act.

4. In the reference 4th read above, Director of Insurance Medical Services,AP., Hyderabad has stated that the Exemption Committee in its meeting held on 08.03.2010, unanimously found that the benefits and its scale are neither similar nor superior to the benefits as per the provisions of the Act. The Committee, therefore, unanimously recommended for not to grant exemption.

5. Government, after careful examination of the recommendations of the Standing Committee for Exemptions, have decided to reject the request of the M/s.Associated Cement Company Ltd., Mancherial, Adilabad District for grant of exemption with retrospective effect from 2001-2002 to 2002-2006 under Section 87,88,91 and 91 A of E.S.I. Act, 1948, as the medical care and other facilities claimed to have been provided by the employer to the employees of this group are inferior to the medical care and other facilities provided under the ESI Act,1948.

6. The Director of Insurance Medical Services,AP., Hyderabad is requested to take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA RADESH)

BHANWAR LAL
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Director of Insurance Medical Services,AP., Hyderabad

Copy to: M/s.Associated Cement Company Ltd.,

Mancherial, Adilabad District –Pin 504209.

The Regional Director, ESI Corporation, Hill Fort Road, Hyderabad.

Sf/Sc.

// Forwarded by order//

SECTION OFFICER